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Testimony of Liz Dupont-Diehl, Policy Director, Connecticut Association for Human Services

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Members of the Appropriations, Human Services and Energy and Technology Committees

ENSURE LEVELS OF ENERGY ASSISTANCE REMAIN THE SAME AS LAST WINTER

Thank you, members of the committees, for allowing me to submit testimony. I apologize that a prior commitment precludes my being there personally to deliver my testimony.

My name is Liz Dupont-Diehl and I am the Policy Director for the Connecticut Association for Human Services, or CAHS. CAHS has worked for decades to empower families and to advocate for policies to end poverty and promote income equality and economic self-sufficiency for all residents.

As you know CAHS worked tirelessly for years to build support for an Earned Income Tax Credit, to level the playing field for working families and eliminate the gap between the cost of living and what low-wage workers earn. The current proposal to limit LIHEAP Assistance to deliverable fuel and to change the eligibility requirements would have catastrophic effects -- not only immediately, but also with ramifications to other benefit programs and in the spring for low-income utility customers who will face shutoffs and have no reasonable prospect of getting re-connected, leading to possible evictions and other severely damaging outcomes for families and communities, as well as the broader economy.

I won't repeat the testimony of our colleagues at the Legal Assistance Resource Center of Connecticut and from the Community Action Agencies, but state that we support them, their work and the low-income citizens we all represent. I'll just reiterate their point that low-income people forced to pay unaffordable energy bills do so at the expense of other basics such as food and rent -- and that massive numbers of households facing shutoffs in the spring would also face eviction and possible loss of custody for parents who can't afford needed utilities.

I'll speak instead about the impact of these changes on low-income residents, and as it pertains to Connecticut's new Earned Income Tax Credit, since the new EITC has been mentioned as a possible source of funding to make up for the loss of energy assistance.

In 2007, some 10% of Connecticut tax filers, or 184,000 households, claimed the federal EITC, returning \$326 million to these low-wage workers. This money has an immediate stimulative effect many times beyond this face value as it is spent quickly and mostly within communities, where it's circulated again to local businesses and other families. Working families with children benefit the most. With the advent

of Connecticut's EITC, eligible filers will get 30% of the federal credit, which will amount to a little more than \$500 for the average family.

But let me address a misperception. Connecticut's Earned Income Tax Credit is new and badly needed – but that does not diminish the need for or importance of other supports that attempt to bridge the divide between what many people earn and what it takes to sustain self or family here in Connecticut.

Remember that the annual “housing wage” in Connecticut ¹is \$23.37 per hour for a 2-bedroom apartment; workers making less than that are paying more than 30% of their income for rent and their housing is considered unaffordable. Remember that the cost of health insurance and food continue to rise even while low-income workers are caught like everyone in an abysmal labor market.

Remember too that while Connecticut has some of the best schools in the country, we also have among the largest achievement gaps between poor and wealthy children and white and minority children. The Connecticut Fair Housing Center recently reminded us with its “opportunity map” that already, Connecticut is a place where a child's success in life can be reasonably predicted by where he or she is born and is raised. High-poverty communities have a negative impact and “deeply affect children's opportunities to learn and grow.” Connecticut has a number of places, mostly in our cities, where individuals and families are in concentrated poverty and face significant challenges. For these families, the LIHEAP program and EITC mean food on the table and the ability to pay the rent and avoid eviction. It's not a matter of working harder; it's a matter of working as hard as possible and still not having enough to feed your children.

Additionally, thousands of LIHEAP residents are elderly or disabled people who will not have the EITC to fall back on if the LIHEAP program benefits or eligibility are cut.

This is an issue of basic economic fairness and cutting the LIHEAP program is as regressive as public policy can possibly be, by balancing the state budget on the backs of those who can very least afford it. We recognize that the current administration has generally been responsive to the needs of low-income people and workers while it bridges a very difficult budget situation that was the result of the economic downturn and years of poor choices. We recognize and applaud Governor Malloy's support of the EITC. But the size of the state's surplus is surely less important than steps that we know will send kids to school with enough to eat and keeping their families housed and intact. I urge you to consider every possible option to restore LIHEAP eligibility and benefits to at least the level of last year.

Thank you for your time and attention. I can be reached at ldupont-diehl@cahs.org or at (860) 951-2212, ext 253, or at (203) 667-5956 (cell).

¹ <http://www.nlihc.org/oor/oor2011/data.cfm?getstate=on&getmsa=on&msa=77&state=CT>